

# FINANCIAL STATEMENTS

31 March 2020

**HANDICAPS WELFARE ASSOCIATION**

Unique Entity Number: S69SS0057J

## ORGANISATION INFORMATION

UEN	S69SS0057J	
Registered Office	16 Whampoa Drive Singapore 327725	
Management Committee	Mr Edmund Wan Fook Wing Mr Hui Beng Hong Mr Cheong Tuck Mun Mr Pek Kian Aik, Alan Mr Larry Ng Poh Kwang Mr Navin Nair Ms Wendy Lau Wong Hing Ms Lim Kok Liang, Desiree Ms Ivory Baey Hwee Leng Ms Wee Judy Anne Ms Carolyn Chua Ms Tan Li Li Ms Wee Toon Lin	President Vice-President Honorary Secretary Honorary Assistant Secretary Honorary Treasurer Honorary Assistant Treasurer Committee Member Committee Member Committee Member Committee Member Committee Member Committee Member
Executive Director	Mr Subrata Banerjee	
Bankers	Current Account DBS OCBC Standard Chartered Bank UOB  Fixed Deposit Account Bank of China CIMB DBS Hong Leong Finance OCBC UOB RHB Singapura Finance Sing Investments Standard Chartered Bank	
Auditors	P G Wee Partnership LLP Chartered Accountants of Singapore 79 Anson Road #07-03 Singapore 079906 Tel: 62208858 Fax: 62206778	

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## STATEMENT BY COMMITTEE OF MANAGEMENT

For the financial year ended 31 March 2020

The Committee of Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Societies Act, Chapter 311, Charities Act, Chapter 37, Singapore Financial Reporting Standards ("FRS"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In our opinion, the financial statements are drawn up so as to present fairly, in all material respects, the financial position of the Handicaps Welfare Association ("Charity") as at 31 March 2020 and of the financial performance, changes in fund and cash flows of the Charity for the year ended on that date in accordance with the provisions of the Acts.

The Committee of Management has, on the date of this statement, authorised these financial statements for issue.

On Behalf of the Committee Members,



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President



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Honorary Secretary



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Honorary Treasurer

8 July 2020

## INDEPENDENT AUDITOR'S REPORT

To the Committee of Management of Handicaps Welfare Association

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Handicaps Welfare Association (the "Charity"), which comprise the statement of financial position as at 31 March 2020, and the statement of financial activities, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the "Societies Act"), the Singapore Charities Act, Chapter 37 (the "Charities Act") and other relevant regulations (the Charities Act and Regulation) and Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affairs of the Charity as at 31 March 2020 and the results, changes in funds and cash flows of the Charity for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Charity in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact, we have nothing to report in this regard.

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## INDEPENDENT AUDITOR'S REPORT

To the Committee of Management of Handicaps Welfare Association

### Responsibilities of Management and The Committee of Management for the Financial Statements

Management is responsible for the preparation and fair representation of the financial statements in accordance with the provisions of the Societies Act, the Charities Act and Regulations and FRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Charity's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Charity or to cease operations, or has no realistic alternative but to do so.

The committee of management are responsible for overseeing the Charity's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by management.

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## INDEPENDENT AUDITOR'S REPORT

To the Committee of Management of Handicaps Welfare Association

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on other Legal and Regulatory Requirements

In our opinion:

- a. The accounting and other records required to be kept by the Charity have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and
- b. The fund-raising appeals held during the reporting year have been carried out in accordance with regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal,

During the course of our audit, nothing has come to our attention that causes us to believe that during the year:

- a. the Charity has not used the donation moneys in accordance with its objectives as required under regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- b. The Charity has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations

P G Wee Partnership LLP  
Public Accountants and  
Chartered Accountants  
Singapore

8 July 2020

## STATEMENT OF FINANCIAL ACTIVITIES

For the financial year ended 31 March 2020

	Note	Unrestricted Fund General	Designated Funds Program and Services	2020	2019
		SGD	SGD	SGD	SGD
<b>INCOMING RESOURCES</b>					
<b>Voluntary Income</b>					
Government Grant Subsidies		211,992	-	211,992	112,469
Handicare cab scheme - General		-	5,000	5,000	-
Care and Share Fund	14	400	-	400	507,596
Deferred capital grants amortised	21	-	288,577	288,577	170,951
Donation - Non-tax exempt		7,036	-	7,036	8,620
Donation -Tax exempt		75,659	-	75,659	75,359
Community Silver Trust Fund		851,095	-	851,095	631,629
Development and Maintenance of HWA Premises Fund		20,435	-	20,435	-
<b>Fund Generating Income</b>					
Fund raising income	4	2,646,203	-	2,646,203	2,625,373
Transport operation funds		-	135,136	135,136	122,064
<b>Charity Income</b>					
Program and services fee income	5	419	1,506,211	1,506,630	1,555,484
MOH Subvention		-	961,613	961,613	1,089,162
<b>Administrative Income</b>					
Administrative cost recovery		1,024,133	-	1,024,133	997,662
<b>Interest Income</b>					
Interest received		51,397	-	51,397	43,272
<b>Other Income</b>					
Special employment credit		84,539	36,847	121,386	181,034
<b>Total incoming resources</b>		<b>4,973,308</b>	<b>2,933,384</b>	<b>7,906,692</b>	<b>8,120,675</b>



# STATEMENT OF FINANCIAL ACTIVITIES

For the financial year ended 31 March 2020

	Note	Unrestricted Fund General	Designated Funds Program and Services	2020	2019
		SGD	SGD	SGD	SGD
<b>RESOURCES EXPENDED</b>					
<b>Cost of Fund Generating Activities</b>					
Event and activity cost		323,944	-	323,944	286,052
<b>Cost of Charitable Activities</b>					
Bad debt written off		25,098	-	25,098	-
Depreciation of plant and equipment	8	42,491	315,772	358,263	339,026
Depreciation of right-of-use assets	9	181,410	53,077	234,487	-
GST expenses		55,387	52,845	108,232	88,369
Licence / subscription		175	-	175	175,323
Printing, stationery and postage		14,715	7,538	22,253	27,052
Other operating expenses		2,119	262,965	265,084	285,980
Rental of equipment		9,526	-	9,526	11,258
Repair and maintenance		73,257	23,482	96,739	99,405
Staff CPF, SDL and FWL	7	99,299	383,840	483,139	527,716
Staff salaries and bonus	7	808,921	3,091,727	3,900,648	4,188,071
Staff benefit	7	29,736	51,150	80,886	38,351
Telecommunication		14,264	25,106	39,370	44,485
Upkeep of motor vehicles		-	312,236	312,236	300,594
Utilities and service charges		39,070	7,264	46,334	99,310

## STATEMENT OF FINANCIAL ACTIVITIES

For the financial year ended 31 March 2020

	Note	Unrestricted Fund General	Designated Funds Program and Services	2020	2019
		SGD	SGD	SGD	SGD
<b>Administrative Expenses</b>					
Auditor's remuneration		15,476	-	15,476	11,272
Bank charges		7,535	-	7,535	6,762
Gift and souvenirs		65	-	65	-
Insurance		30,311	123,143	153,454	139,882
Plant and equipment written off		2,431	-	2,431	8
Professional fee		2,090	-	2,090	3,400
Recruitment expenses		700	5,300	6,000	2,233
AGM, annual report expenses		-	5,760	5,760	6,296
Administrative cost apportionment		45,393	978,740	1,024,133	997,662
<b>Finance Expenses</b>					
Interest expense on lease liabilities	9	3,884	3,862	7,746	-
<b>Total Resources Expended</b>		1,827,297	5,703,807	7,531,104	7,678,507
<b>Surplus/(Deficit) for the Year</b>		3,146,011	(2,770,423)	375,588	442,168

The accompanying notes form an integral part of these financial statements

## STATEMENT OF FINANCIAL POSITION

As at 31 March 2020

	Note	2020 SGD	2019 SGD
<b>Assets</b>			
<b>Non-Current Assets</b>			
Plant and Equipment	8	3,794,785	3,973,425
Fixed Deposit	12	826,215	1,031,367
Right-of-Use Assets	9	1,087,039	-
<b>Total Non-Current Assets</b>		<u>5,708,039</u>	<u>5,004,792</u>
<b>Current Assets</b>			
Inventories		3,928	3,928
Trade and Other Receivables	10	404,137	486,143
Other Assets	11	194,136	302,322
Cash and Cash Equivalents	12	10,700,360	9,461,818
<b>Total Current Assets</b>		<u>11,302,561</u>	<u>10,254,211</u>
<b>Total Assets</b>		<u>17,010,600</u>	<u>15,259,003</u>
<b>Funds</b>			
<b>Unrestricted Fund</b>			
General Fund		7,918,744	7,543,156
<b>Total Unrestricted Fund</b>		<u>7,918,744</u>	<u>7,543,156</u>
<b>Restricted Funds</b>			
Development and Maintenance of HWA Premises Fund	13	2,820,383	2,840,818
Care and Share Fund	14	848,718	1,017,079
HWA -Micro Finance Assistance Scheme	15	58,502	52,600
Scholarship Fund	16	68,088	68,088
HWA -Rotary Skills Assistance Fund	17	54,006	54,006
Community Silver Trust Fund	18	2,439,787	1,795,282
Mr & Mrs Wong Financial Assistance Fund	19	1,122	3,398
Central CDC Bless Our City Fund	20	10,000	-
<b>Total Restricted Funds</b>		<u>6,300,606</u>	<u>5,831,271</u>
<b>Total Funds</b>		<u>14,219,350</u>	<u>13,374,427</u>
<b>Non-Current Liabilities</b>			
Deferred Capital Grants	21	1,131,754	1,172,697
Lease Liabilities	9	857,858	-
<b>Total Non-Current Liabilities</b>		<u>1,989,612</u>	<u>1,172,697</u>

The accompanying notes form an integral part of these financial statements

## STATEMENT OF FINANCIAL POSITION

As at 31 March 2020

	Note	2020 SGD	2019 SGD
<b>Current Liabilities</b>			
Trade and Other Payables	22	485,887	619,664
Other Liabilities	23	91,600	92,215
Advance Subsidies	24	124,020	-
Lease Liabilities	9	100,131	-
<b>Total Current Liabilities</b>		<b>801,638</b>	<b>711,879</b>
<b>Total Liabilities</b>		<b>2,791,250</b>	<b>1,884,576</b>
<b>Total Fund and Liabilities</b>		<b>17,010,600</b>	<b>15,259,003</b>

*The accompanying notes form an integral part of these financial statements*

# STATEMENT OF CHANGES IN FUNDS

For the financial year ended 31 March 2020

	Unrestricted Funds		Restricted Fund		Development and Maintenance of HWA Premise Fund		Care and Share Fund		HWA - Micro Finance Assistance Scheme		Scholarship Fund		HWA - Rotary Skills Assistance Fund		Community Silver Trust Fund		Mr & Mrs Wong Financial Assistance Fund		Central CDC Bless Our City Fund		Total
	SGD		SGD		SGD		SGD		SGD		SGD		SGD		SGD		SGD		SGD		
<b>Note</b>																					
<b>Balance as at 1 April 2018</b>	7,100,988		2,840,818		1,282,312		51,000		68,088		54,006		2,452,492		3,398		10,000		13,849,704		
Surplus for the Year	442,168		-		-		-		-		-		-		-		-		442,168		
Net Movement for the Year	-		-		(265,233)		1,600		-		-		(657,210)		3,398		10,000		(917,445)		
<b>Balance as at 31 March 2019 and 1 April 2019</b>	7,543,156		2,840,818		1,017,079		52,600		68,088		54,006		1,795,282		3,398		10,000		13,374,427		
Surplus for the Year	375,588		-		-		-		-		-		-		-		-		375,588		
Net Movement for the Year	-		(20,435)		(168,361)		5,902		-		-		644,505		(2,276)		10,000		469,335		
<b>Balance as at 31 March 2020</b>	7,918,744		2,820,383		848,718		58,502		68,088		54,006		2,439,787		1,122		10,000		14,219,350		

The accompanying notes form an integral part of these financial statements

## STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2020

	Note	2020 SGD	2019 SGD
<b>Cash Flows From Operating Activities</b>			
Surplus For the Year		375,588	442,168
Adjustments For:			
Amortisation of Deferred Capital Grants		(288,577)	(170,951)
Bad Debts Written Off		25,098	-
Depreciation of Plant and Equipment	8	537,893	545,868
Depreciation of Right-of-Use Assets	9	234,487	-
Plant and Equipment Written Off		2,431	8
Interest Income		(51,397)	(43,272)
Interest expense		7,746	-
<b>Operating Surplus Before Working Capital Changes</b>		<b>843,269</b>	<b>773,821</b>
Inventories		-	29,226
Trade and Other Receivables		56,908	1,766,769
Other Assets		(33,114)	(27,770)
Trade and Other Payables		(133,777)	46,307
Other Liabilities		(615)	14,885
Advance Subsidies		124,020	(109,989)
<b>Net Cash (Used In) Generated From Operating Activities</b>		<b>856,691</b>	<b>2,493,249</b>
<b>Cash Flows From Financing Activities</b>			
Deferred Capital Grants		247,634	128,631
Development and Maintenance of HWA Premises Fund		(20,435)	-
Care and Share Fund		(168,361)	(265,233)
HWA - Micro Finance Assistance Scheme		5,902	1,600
Mr & Mrs Wong Finance Assistance Fund		(2,276)	3,398
Community Silver Trust		644,505	(657,210)
Central CDC Bless Our City Fund		10,000	-
Interest paid		(7,746)	-
Repayment of Obligations under Lease Liabilities		(222,237)	-
<b>Net Cash Generated From Financing Activities</b>		<b>486,986</b>	<b>(788,814)</b>
<b>Cash Flows From Investing Activities</b>			
Long Term Deposits Redeemed/ (Placed)		205,152	31,070
Interest Income		51,397	43,272
Purchase of Plant and Equipment		(361,684)	(638,369)
Transfer to Restricted Cash		(342)	(341)
<b>Net Cash Generated From (Used In) Investing Activities</b>		<b>(105,477)</b>	<b>(564,368)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>		<b>1,238,200</b>	<b>1,140,067</b>
Cash and Cash Equivalents at Beginning of Year		9,324,901	8,184,834
<b>Cash and Cash Equivalents at End of Year</b>	12	<b>10,563,101</b>	<b>9,324,901</b>

The accompanying notes form an integral part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

### 1. General Information

Handicaps Welfare Association is registered as a society and charity under the Charities Act, Chapter 37 on 18 December 1969 and 25 February 1985 respectively. The Charity was accorded the status of an Institution of Public Character (IPC) for the period from 1 October 2019 to 30 September 2022. The Charity's registered office is located at 16 Whampoa Drive Singapore 327725. The Charity is situated in Singapore.

The Committee of Management approved and authorised these financial statements for issue.

The principal activities of the Charity are to promote social and welfare services for people with physical disabilities and in particular to foster friendship, understanding and mutual assistance amongst its members. The Charity provides island-wide service to support elderly and people with physical disabilities with Transport service, Rehabilitation, Home Healthcare, Education, Training, Employment and other interests of this community.

### 2. Significant accounting policies

#### Basis of Preparation

The financial statements of the Charity have been prepared in accordance with applicable Singapore Financial Reporting Standards ("FRS").

The financial statements expressed in Singapore Dollar ("SGD") are prepared in accordance with the historical cost convention except as disclosed, where appropriate, in the accounting policies below.

The preparation of financial statements in conformity with FRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management committee's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

#### Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Charity has adopted all the new and revised standards and interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 April 2019. Except for the adoption of FRS 116 Leases described below, the adoption of these standards did not have any material effect on the financial performance or position of the Charity.

#### FRS 116 Leases

FRS 116 supersedes FRS 17 Leases, INT FRS 104 Determining whether an Arrangement contains a Lease, INT FRS 15 Operating Leases-Incentives and INT FRS 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

The Charity adopted FRS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initial applying the standard recognised at the date of initial application. The Charity elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 April 2019. Instead, the Charity applied the standard only to contracts that were previously identified as leases applying FRS 17 and INT FRS 104 at the date of initial application.

The effect of adopting of FRS 116 as at 1 April 2019 was as follows:

	<b>Increase / (Decrease) SGD</b>
<b>Assets</b>	
Right-of-Use Assets	1,288,211
Prepayments	(141,300)
<b>Liabilities</b>	
Lease Liabilities	1,146,911
<b>Total adjustment on equity:</b>	
General Fund	-

The Charity has lease contracts for building and office equipment. Before the adoption of FRS 116, the Charity classified each of its leases (as lessee) at the inception date as an operating lease. The accounting policy prior to 1 April 2019 is disclosed under leases.

Upon adoption of FRS 116, the Charity applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The accounting policy beginning on and after 1 April 2019 is disclosed under Right-of-use assets (ROU) and lease liabilities. The standard provides specific transition requirements and practical expedients, which have been applied by the Charity.

#### **Leases previously accounted for as operating leases**

The Charity recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for the leases were recognised based on the carrying amount as if the standard had always been applied, using the incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Charity also applied the available practical expedients wherein it:

- used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relied on its assessment of whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review;
- applied the short-term leases exemption to leases with lease term that ends within 12 months of the date of initial application;
- excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at 1 April 2019:

- Right-of-use assets of SGD 1,288,211 were recognised and presented separately on the statement of financial position;
- Prepayments of SGD 141,300 related to previous operating leases were derecognised;
- Lease liabilities of SGD 1,146,911 were recognised and presented separately on the statement of financial position;
- The net effect of these adjustments to general fund was nil.



The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019, as follows:

	<b>SGD</b>
Operating lease commitments as at 31 March 2019	802,273
<b>Less:</b>	
Commitments relating to short-term leases	(9,526)
Commitments rescind during the year	(19,052)
Prepaid lease payments	(141,300)
<b>Add:</b>	
Lease payments relating to renewal periods not included in operating lease commitments as at 1 April 2019	565,200
	<u>1,197,595</u>
Weighted average incremental borrowing rate as at 1 April 2019	1.729%
Lease liabilities as at 1 April 2019	<u>1,146,911</u>

### Funds

The Charity maintains restricted and unrestricted funds. Funds set up for specific purposes are classified as restricted funds. All income and expenses other than those attributable to restricted funds and common overheads are recorded in the unrestricted fund's statement of financial activities.

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Charity, the financial statements of the Charity are maintained substantially in accordance with the principles of "fund accounting" whereby the resources for various purposes are classified for accounting and reporting purposes into specific funds that are in accordance with activities or objectives specified.

### Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Charity operates ("the functional currency"). The financial statements are presented in Singapore Dollar ("SGD"), which is the Charity's functional and presentation currency.

All financial information presented are denominated in Singapore Dollar unless otherwise stated.

### Incoming Resources

Revenue is measured based on the consideration to which the Charity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Charity satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

#### (a) Rendering of Services

Revenue generated from social activities, transport services, events and programmes are recognised when services are rendered.

#### (b) Donations and fund-raising

Donations and revenue from fund-raising activities that are used for general purposes are recognised in the statement of financial activities in the financial year they are received.

Donations and revenue from fund-raising activities where usage is restricted by the donors are recognised in Restricted Funds in the financial year they are received.

Donations that are restricted for asset purchase are included in non-current liabilities as "deferred capital grants" and taken to the statement of financial activities account on a straight-line basis over the expected useful lives of the related assets.

Donations that are used for restricted types of expenses are recognised in income and expenditure account over the period necessary to match them with the costs they are intended to compensate.

(c) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Charity will comply with conditions associated with the grant.

Government grants relating to costs are deferred and taken to the statement of financial activities over the period necessary to match them with the costs they are intended to compensate.

Government grants relating to assets are included in non-current liabilities as "deferred capital grants" and are taken to the income and expenditure account on a straight-line basis over the expected useful lives of the related assets.

(d) Donation of assets

Donations of assets received in kind are recorded as donation income and property, plant and equipment at an amount equivalent to the estimated value of the items donated.

(e) Interest Income

Interest income is recognised on a time-apportioned basis using the effective interest rate method.

(f) Land rental subsidy

Land rental subsidy from government is recognised where there is a reasonable assurance that the grant will be received and the Charity will comply with attached conditions.

Retirement Benefit Costs

Contributions to defined contribution retirement benefit plans are recorded as an expense as they fall due. Contributions made to government managed retirement benefit plan such as the Central Provident Fund ("CPF") which specifies the employer's obligations are dealt with as defined contribution retirement benefit plans.

Income Tax

The Charity is a registered Charity under Charities Act, Chapter 37 and is exempted from income tax.

### Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is calculated on the straight-line method to write off the cost of the assets over their estimated useful lives. The estimated useful lives have been taken as follows:

Office furniture, renovation and equipment	-	2 to 12 years
Motor vehicles	-	5 to 10 years
Rehabilitation equipment and mobility aids	-	5 to 10 years

The residual values, estimated useful lives and depreciation method are reviewed, and adjusted as appropriate, at end of each reporting year. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the accounts until they are no longer in use.

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

### Leases

(a) These accounting policies are applied on and after the initial application date of FRS 116, 1 April 2019.

The Charity assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **As lessee**

The Charity applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Charity recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

#### **Right-of-use assets**

The Charity recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold buildings	-	5 years
Office Equipments	-	5 years

If ownership of the leased asset transfers to the Charity at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed under impairment of non-financial assets.

The Charity's right-of-use assets are disclosed in note 9 to the financial statements.

### **Lease liabilities**

At the commencement date of the lease, the Charity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Charity and payments of penalties for terminating the lease, if the lease term reflects the Charity exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Charity uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Charity's lease liabilities are disclosed in note 9 to the financial statements.

### **Short-term leases and leases of low-value assets**

The Charity has elected not to recognise right-of-use assets and liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Charity recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) These accounting policies are applied before the initial application date of FRS 116, 1 April 2019.

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

### **Impairment of Non-Financial Assets**

The Charity assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Charity makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

#### Inventories

Inventories consisting of consumables stated at the lower of cost and net realisable value on a first-in first-out basis.

#### Financial Assets

##### (i) Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Charity measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Charity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

##### (ii) Subsequent measurement

###### *Investments in debt instruments*

Debt instruments of the Charity mainly comprise of cash and bank deposits and trade and other receivables.

Subsequent measurement of debt instruments depends on the Charity's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Charity only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

##### (iii) Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

### Impairment of Financial Assets

The Charity recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Charity expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Charity applies a simplified approach in calculating ECLs. Therefore, the Charity does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Charity has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Charity considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Charity may also consider a financial asset to be in default when internal or external information indicates that the Charity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Charity. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### Cash and Cash Equivalents

This includes cash on hand and fixed deposits with financial institutions.

### Financial Liabilities

Financial liabilities are recognised when, and only when, the Charity becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of the consideration received plus, in the case of a financial liability not at fair value through profit or loss, directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process. The liabilities are derecognised when the obligation under the liability is extinguished.

### Provisions

A provision is recognised when there is a present obligation (legal and constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at end of each reporting year and adjusted to reflect the current best estimate.



### Critical Judgement, Assumption and Estimation Uncertainties

The preparation of the Charity's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

#### Judgements made in Applying Accounting Policies

In the process of applying the Charity accounting policies, the Charity has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statement.

#### Operating leases of buildings and office equipment

With the Charity's adoption of FRS 116, estimation of ROU assets involves significant estimates on the tenure of the lease due to renewal options and the discount rate to be applied to compute the present value of the lease liabilities.

The Charity currently has a lease agreement of building with the SLA at a rental rate of SGD 15,700 per month for a period of 3 years with effect from 1 January 2019. The annual rent is partially subsidised by Ministry of Social and Family Development.

The Charity currently has a lease agreement of office equipment with the Ethoz Capital Ltd a rental rate of SGD 580 per month for a period of 5 years with effect from 14 May 2020.

The Charity currently has lease agreement of building with the Mercatus Epsilon Co-operative limited as head land lord and National Council of Social Service as landlord for a period of 5 years with effect from 1 December 2018. The monthly rate for year 1 and 2 is SGD 4,282 per month, Year 3 and Year 4 is SGD 4,611 per month and Year 5 is SGD 4,941 per month.

#### Useful Lives of Plant and Equipment

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The management committees anticipate the useful lives of these plant and equipment to be within 2 to 12 years. The carrying amount of the Charity's plant and equipment at 31 March 2020 is disclosed in Note 8 to the financial statements. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

#### Expected Credit Losses on Trade Receivables

Expected credit losses (ECLs) are probability-weighted estimates of credit losses over the life of a financial instrument. In estimating ECLs to determine the probability of default of its debtors, the charity has used historical information, such as past credit loss experience. Where applicable, historical data are adjusted to reflect the effects of current conditions as well as management's assessment of future economic conditions based on observable market information, which involved significant estimates and judgement.

As at the statement of financial position, the charity does not have any trade receivables that are subject to ECLs.

### 3. Related Party Relationships and Transactions

FRS 24 defines a related party as a person or entity that is related to the reporting entity and it includes (a) A person or a close member of that person's family if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to the reporting entity if any of the following conditions apply: (i) The entity and the reporting entity are members of the same group. (ii) One entity is an associate or joint venture of the other entity. (iii) Both entities are joint ventures of the same third party. (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity. (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. (vi) The entity is controlled or jointly controlled by a person identified in (a). (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity). (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

#### 3.1 Related Parties:

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined the parties are reflected in these financial statements. The current related party balances are unsecured, without fixed repayment terms and interest unless stated otherwise.

#### 3.2 Key Management Personnel:

Key management personnel compensation included in staff cost is as follows:

	2020	2019
	SGD	SGD
Wages, salaries and staff benefits	179,869	178,463
Contributions to defined contribution plans	17,347	17,363
	<u>197,216</u>	<u>195,826</u>

The Committee of Management is the final authority and is overall responsible for policy making and determination of all activities. They are volunteers and receive no monetary remuneration for their contribution.

The Charity's key executive remuneration is disclosed in the following band:

	Number of key executives	
	2020	2019
<i>Annual salary range</i>		
SGD 150,000 to SGD 200,000	1	1
	<u>1</u>	<u>1</u>

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Charity, directly or indirectly. None of the paid staff are close members of the family of the Chief Executive or Board members.

#### 3.3 Board Members Remuneration

Charity has disclosed that board members do not receive any remuneration except for reimbursement for out-of-pocket expenses.



#### 4. Fund Raising Income

	2020	2019
	SGD	SGD
Fa Cai Cup	50,785	42,900
Donation boxes collections	34,215	37,869
Donation draw	259,140	360,720
E-net donation	14,551	37,219
Flag day	245,770	354,363
Golf Charity Day Donation	-	263,200
Hongbao project	856,120	748,739
President Challenge	171,000	-
Recycle project	31,234	33,556
Online donation portal	74,563	34,294
SI Events donation	485,471	361,133
Special projects - General appeal	196	2,964
Wheel, walk or jog	423,158	348,416
	<u>2,646,203</u>	<u>2,625,373</u>

In 2020, the Charity received donation amounting to SGD 171,000 from the President's Challenge. The donation were fully utilised during the year. These monies were channelled to fund the approved services operating expenditure of the Charity.

## 5. Program and Services Fee Income

	Other Services Department	Transport Department	Rehabilitation Department	Homecare Services	2020	2019
	SGD	SGD	SGD	SGD	SGD	SGD
AIC centralised transport	-	468,028	-	-	468,028	514,869
Dial-a-ride income	-	125,224	-	-	125,224	168,320
Driving income	-	23,357	-	-	23,357	22,275
Homecare services	-	-	-	65,895	65,895	37,269
Internal billing for staff request	-	9,730	-	-	9,730	9,420
Medical escort transport services	-	77,121	-	-	77,121	72,099
Member's subscription / entrance fee	1,945	-	-	-	1,945	4,448
Monthly transport income	-	155,789	-	-	155,789	174,849
Personal development art income	93	-	-	-	93	-
Rehabilitation fees	-	-	237,659	-	237,659	166,166
Rehabilitation transport fee	-	-	155,312	-	155,312	170,805
Rental of vehicle income	-	173,922	-	-	173,922	205,193
Sale of gadgets	-	-	-	-	-	6,164
Social integration participants fee	11,008	-	-	-	11,008	-
Other income	1,079	49	-	-	1,128	3,607
	14,125	1,033,220	392,971	65,895	1,506,211	1,555,484

The revenue from rendering of services are recognised based on point in time and all contracts with customers are less than 12 months.

**6. Program and Services Fee Expenses**

	Other Services Department	Transport Department	Rehabilitation Department	Homecare Services	2020	2019
	SGD	SGD	SGD	SGD	SGD	SGD
Administrative cost apportionment	73,560	583,938	195,422	125,820	978,740	959,014
AGM, annual report	5,760	-	-	-	5,760	-
Auditor's remuneration	-	-	-	-	-	1,050
Depreciation of plant and equipment	-	296,527	18,115	1,130	315,772	292,893
Depreciation of right-of-use assets	-	-	53,077	-	53,077	-
GST expenses	127	42,424	6,955	3,339	52,845	76,945
Insurance	-	123,143	-	-	123,143	120,134
Interest on lease liabilities	-	-	3,862	-	3,862	-
Other operating expenses	19,340	133,052	66,294	44,279	262,965	285,980
Printing, stationery and postage	3,690	749	2,488	611	7,538	8,008
Recruitment expenses	-	-	5,300	-	5,300	2,033
Repair and maintenance	-	-	23,482	-	23,482	6,466
Staff benefit	2,790	19,284	8,607	20,469	51,150	28,615
Staff CPF, SDL, FWL	30,265	222,547	73,266	57,762	383,840	427,165
Staff salaries and bonuses	185,471	1,816,879	667,751	421,626	3,091,727	3,384,478
Telecommunication	968	16,945	4,421	2,772	25,106	32,115
Upkeep of motor vehicles	-	312,236	-	-	312,236	300,594
Utilities and services charges	-	-	7,264	-	7,264	56,351
<b>Total expenses</b>	<b>321,971</b>	<b>3,567,724</b>	<b>1,136,304</b>	<b>677,808</b>	<b>5,703,807</b>	<b>5,981,841</b>

## 7. Staff Costs

	2020 SGD	2019 SGD
Contributions to defined contribution plan ("CPF"), Skills Development Levy ("SDL") and Foreign Worker Levy ("FWL")	483,139	527,716
Salaries and bonus	3,900,648	4,188,071
Staff benefit	80,886	38,351
	<u>4,464,673</u>	<u>4,754,138</u>

## 8. Plant and Equipment

	Office Furniture, Renovation and Equipment SGD	Motor Vehicles SGD	Rehabilitation Equipment and Mobility Aids SGD	Total SGD
<b>Cost</b>				
At 1.4.2018	2,285,241	4,085,320	250,025	6,620,586
Additions	107,140	528,729	2,500	638,369
Disposals	-	(395,084)	-	(395,084)
At 31.3.2019 and 1.4.2019	<u>2,392,381</u>	<u>4,218,965</u>	<u>252,525</u>	<u>6,863,871</u>
Additions	204,881	122,703	34,100	361,684
Disposals	(1,691)	-	(16,297)	(17,988)
At 31.3.2020	<u>2,595,571</u>	<u>4,341,668</u>	<u>270,328</u>	<u>7,207,567</u>
<b>Accumulated Depreciation</b>				
At 1.4.2018	676,982	1,961,252	101,420	2,739,654
Depreciation for year	210,703	312,143	23,022	545,868
Disposals	-	(395,076)	-	(395,076)
At 31.3.2019 and 1.4.2019	<u>887,685</u>	<u>1,878,319</u>	<u>124,442</u>	<u>2,890,446</u>
Depreciation for year	171,128	346,119	20,646	537,893
Disposals	(1,691)	-	(13,866)	(15,557)
At 31.3.2020	<u>1,057,122</u>	<u>2,224,438</u>	<u>131,222</u>	<u>3,412,782</u>
<b>Net Carrying Amount</b>				
At 31.3.2020	<u>1,538,449</u>	<u>2,117,230</u>	<u>139,106</u>	<u>3,794,785</u>
At 31.3.2019	<u>1,504,696</u>	<u>2,340,646</u>	<u>128,083</u>	<u>3,973,425</u>

Depreciation included in statement of financial activities is as follows:

	2020 SGD	2019 SGD
Expenditure of generating voluntary income and governance costs	358,263	339,026
Care and share fund (Note 14)	145,290	181,260
Community Silver Trust (Note 18)	34,340	25,582
	<u>537,893</u>	<u>545,868</u>

## 9. Leases

### Charity as a lessee

The Charity has lease contracts for building and office equipment. Lease of building generally have lease term of 5 years, while office equipment generally have lease terms of 5 years. The Charity obligations under these leases are secured by the lessor's title to the leased assets. The Charity is restricted from assigning and subleasing the leased assets.

The Charity also has certain leases of office equipment with lease terms of 12 months or less. The Charity applies the "short-term lease" and "lease of low-value assets" recognition exemptions for these leases.

#### (a) Carrying amounts of right-of-use assets

	<b>Leasehold Buildings SGD</b>	<b>Office Equipment SGD</b>	<b>Total SGD</b>
At 1 April 2019	1,288,211	-	1,288,211
Additions	-	33,315	33,315
Depreciation	(233,932)	(555)	(234,487)
At 31 March 2020	1,054,279	32,760	1,087,039

#### (b) Lease liabilities

	<b>2020 SGD</b>
At 1 April 2019	1,146,911
Additions	33,315
Payments	(222,237)
At 31 March 2020	957,989
Current	100,131
Non-current	857,858
	957,989

The maturity analysis of lease liabilities are disclosed in Note 28.

#### (c) Amount recognised in the statement of financial activities

	<b>2020 SGD</b>
Depreciation of right-of-use assets	234,487
Interest expense on lease liabilities	7,746
Lease expense not capitalised in lease liabilities	
- Expense relating to short-term leases	9,526
	251,759

#### (d) Total cash outflows

The Charity had total cash outflows for lease of SGD 239,509.

(e) Extension Option

The Charity has leases of building that contain extension options exercisable by the Charity up to 10 months (2019: 10 months) before the end of the non-cancellable contract period. Where practicable, the Charity seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Charity and not by the lessors. The Charity assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Charity reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

	Lease liabilities recognised (discounted)	Historical rate of exercise of extension options
	SGD	
Building	727,625	100%

A reconciliation of liabilities arising from the Charity's financing activities is as follows:

	1 April 2019 SGD	Cash flows SGD	Non-cash changes Acquisition SGD	Accretion of interest SGD	Others SGD	31 March 2020 SGD
Lease liabilities						
- Current	221,658	(229,983)	579	7,746	100,131	100,131
- Non-current	925,253	-	32,736	-	(100,131)	857,858
	1,146,911	(229,983)	33,315	7,746	-	957,989

10. Trade and Other Receivables

	2020 SGD	2019 SGD
Trade receivables	87,003	144,579
GST receivables	-	2,371
Grants receivables	286,950	282,006
Interest receivable on fixed deposit	30,184	27,187
Related party- non-trade (Note 3)	-	30,000
	404,137	486,143

Trade and other receivables are non-interest bearing and are generally settled on 30 days' terms.

11. Other Assets

	2020 SGD	2019 SGD
Deposits	84,089	77,839
Prepayments	99,667	224,483
Prepayments on interest on lease liabilities	10,380	-
	194,136	302,322

Deposits are settled upon expiry or termination of the relevant services.

## 12. Cash and Cash Equivalents

	2020 SGD	2019 SGD
Cash in hand and cash at bank	6,372,027	5,586,920
Fixed deposits	5,154,548	4,906,265
	11,526,575	10,493,185
Fixed deposit (more than 12 months maturity)	(826,215)	(1,031,367)
Cash and cash equivalents as shown in statement of financial position	10,700,360	9,461,818
Fixed deposit held by banker to cover the bank guarantee issued for tenancy deposit	(137,259)	(136,917)
Cash and cash equivalents as shown in cash flow statement	10,563,101	9,324,901

Fixed deposits bear interest at 0.25% to 1.90% (2019: 0.25% to 1.83%) and for a tenure of 6 to 24 months (2019: 9 to 24 months) from the end of the reporting year.

## 13. Development and Maintenance of HWA Premises Fund

This represents fund designated for the development of the Charity's future premise which was redefined to represent fund designated for the development and maintenance of the Charity's premise on 29 April 2017, Extraordinary General Meeting.

	2020 SGD	2019 SGD
Balance at beginning of year	2,840,818	2,840,818
Less: Expenditures	(20,435)	-
Balance at end of year	2,820,383	2,840,818

## 14. Care and Share Fund

	Care and Share Fund SGD	Care and Share Fund- Vehicle SGD	Care and Share Fund- Renovation SGD	2020 SGD	2019 SGD
Balance at beginning of year	265,722	42,974	708,383	1,017,079	1,282,312
Government grants received	-	-	-	-	432,535
Less:					
Charged to financial activities	(400)	-	-	(400)	(507,596)
Utilised during the year	(22,671)	-	-	(22,671)	(8,912)
Amortisation (Note 8)	-	(37,007)	(108,283)	(145,290)	(181,260)
Balance at end of year	242,651	5,967	600,100	848,718	1,017,079

The Care and Share Matching Grant is provided by the government in celebration SG50 to build capabilities and capacities of the social service sector. The grant matches one dollar for every donation dollar raised by the Charity.

# 15. HWA- Micro Finance Assistance Scheme

	2020	2019
	SGD	SGD
At beginning of year	52,600	51,000
Repayment received during the year	1,000	1,600
Related party balance written back	4,902	-
At end of year	58,502	52,600

This represents an interest-free micro finance scheme for members to start small scale business.

# 16. Scholarship Fund

	Teo Poh Lian Fund	ANZ Fund	2020	2019
	SGD	SGD	SGD	SGD
At beginning and end of year	53,088	15,000	68,088	68,088

# 17. HWA- Rotary Skills Assistance Fund

This represents fund designated for the sponsorship of vocational and skills training.

# 18. Community Silver Trust Fund

	2020	2019
	SGD	SGD
Community Silver Trust fund (i)	2,119,623	1,462,478
Community Silver Trust capital grant (ii)	320,164	332,804
	2,439,787	1,795,282

(i) Community Silver Trust fund

	2020	2019
	SGD	SGD
Balance at beginning of year	1,462,478	2,250,023
Voluntary income- Community Silver Trust matching grant	1,529,940	-
Less: Expenditures	(851,095)	(631,628)
Gross transfers between funds	(21,700)	(155,917)
Balance at end of year	2,119,623	1,462,478

These are dollar-for-dollar donation matching grants provided by the government through Agency for Integrated Care ("AIC") to enhance the services of voluntary welfare organisations ("VWOs") in the intermediate and long-term care ("ILTC") sector for eligible donations received by the Charity. Ministry of Health is the manager of AIC.



(ii) Community Silver Trust capital grant

	2020 SGD	2019 SGD
Balance at beginning of year	332,804	202,469
Gross transfers between funds	21,700	155,917
Amortisation for the year (note 8)	(34,340)	(25,582)
Balance at end of year	320,164	332,804

The Community Silver Trust capital grant was set up from the Community Silver Trust fund for the purpose of capitalising the fixed assets purchased with the fund proceeds. These amounts are amortised to net-off the corresponding depreciation in the statement of financial activities.

**19. Mr and Mrs Wong Financial Assistance Fund**

This represents fund designated for the Charity's needy beneficiaries who have difficulties paying for our services.

**20. Central CDC Bless Our City Fund**

This represents fund designated for the Charity's needy beneficiaries who have difficulties paying transport service for attending medical and rehabilitation services.

**21. Deferred Capital Grants**

	2020 SGD	2019 SGD
At beginning of year	1,172,697	1,215,017
Deferred grants received	247,634	128,631
<b>Income and expenditure</b>		
Deferred capital grants amortised	(288,577)	(170,951)
At end of year	1,131,754	1,172,697

This is in respect of grants credited to statement of financial activities to match depreciation of Charity's plant and equipment.

**22. Trade and Other Payables**

	2020 SGD	2019 SGD
Trade payables	423,025	559,711
GST payables	9,563	-
Others	53,299	59,953
	485,887	619,664

Trade payables are non-interest bearing and are generally settled on 30 days' terms.

Other payables include SGD 53,137 (2019: SGD 53,137) for balance payment of renovation in progress.

## 23. Other Liabilities

	2020	2019
	SGD	SGD
Advance donation	90,000	90,000
Deposits received for rental of wheel chair	1,600	2,215
	<u>91,600</u>	<u>92,215</u>

Deferred income received from Chen Su Lan is tax exempt donation.

## 24. Advance Subsidies

This represents temporary occupation licence received from Ministry of Social and Family Development.

## 25. Operating Lease Commitments

### As Lessee

As at 31 March 2019, the total of future minimum lease payments under non-cancellable operating leases are as follows:

	2019
	SGD
<i>Rental of premise and office equipment</i>	
Not later than one year	250,175
Later than one year but not later than five years	552,098
	<u>802,273</u>

Operating lease payments are for rentals payable for office premise and office equipment. The lease rental terms are negotiated for an average term of two to six years and rentals are not subject to an escalation clause.

As disclosed in Note 2, the Charity has adopted FRS 116 on 1 April 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the statement of financial position as at 31 March 2020, except for short-term and low-value leases.

## 26. Income Tax

The society is a registered charity under the Charities Act 1982 and is exempted from income tax under Section 13 (1) (zm) of the Income Tax Act, Cap 134.

## 27. Reserve Policy

The objectives of the Committee of Management when managing funds is to safeguard the Charity's ability to continue as going concern.

The Committee of Management actively and regularly review and manage its funds structure to ensure optimal capital structure, taking into consideration the future requirements, prevailing and projected profitability, projected operating cash flows and projected capital expenditures.

The Committee of Management monitor funds using the annual operating expenditure to total funds ratio.

	2020 SGD	2019 SGD
Annual operating expenditure (A)	7,531,104	7,678,507
Total funds (B)	14,219,350	13,374,427
Annual operating expenditure to total funds ratio (times) (A)/(B)	0.53	0.57

The Charity is not subject to externally imposed capital requirements. There were no changes in the Charity's approach to capital management during the year.

## 28. Financial Risk Management Objective and Policies

The main risks from the Charity's financial instruments are liquidity risk, credit risk and cash flow and fair value of interest rate risk. The policies for managing each of these risks are summarised below:

### Liquidity Risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell financial assets quickly at close to its fair value.

The Charity maintains sufficient level of cash and cash equivalents to finance the Charity's operation and mitigate the effects of fluctuation in cash flows.

### *Analysis of Financial Instruments by Remaining Contractual Maturities*

The table below summarises the maturity profile of the Charity's assets and liabilities at the end of the reporting year based on contractual undiscounted payments.

	2020			2019		
	1 year or less SGD	2 to 5 years SGD	Total contractual cash flow SGD	1 year or less SGD	2 to 5 years SGD	Total contractual cash flow SGD
<i>Financial assets</i>						
Trade and other receivables	404,137	-	404,137	486,143	-	486,143
Other assets	84,089	-	84,089	77,839	-	77,839
Fixed deposit	4,328,333	826,215	5,154,548	3,874,898	1,031,367	4,906,265
Cash in hand and at bank	6,372,027	-	6,372,027	5,586,920	-	5,586,920
	11,188,586	826,215	12,014,801	10,025,800	1,031,367	11,057,167
<i>Financial liabilities</i>						
Trade and other payables	485,887	-	485,887	619,664	-	619,664
Other liabilities	1,600	-	1,600	2,215	-	2,215
Lease liabilities	106,760	885,273	992,033	-	-	-
	594,247	885,273	1,479,520	621,879	-	621,879
Total net undiscounted financial assets	10,594,339	(59,058)	10,535,281	9,403,921	1,031,367	10,435,288

### Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Charity. The Charity's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash), the Charity minimises credit risk by dealing exclusively with high credit rating counterparties.

The Charity has adopted a policy of only dealing with creditworthy counterparties. The Charity performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Charity considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Charity has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 90 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Charity has developed and maintained the Charity's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Charity's own trading records to rate its major customers and other debtors. The Charity considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the Charity and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

The Charity determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Charity categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Charity's current credit risk grading framework comprises the following categories:

Category	Definition of Category	Basis for Recognising Expected Credit Loss (ECL)
i	Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
ii	Amount is >90 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
iii	Amount is >120 days past due or there is evidence indicating the asset is credit-impaired (in default)	Lifetime ECL - credit impaired
iv	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery	Amount is written off

The ageing of trade and other receivables as at 31 March:

	2020	2019
	SGD	SGD
<i>Trade receivables past due</i>		
31 to 60 days	1,045	40,665
61 to 90 days	775	1,198
More than 90 days	7,193	21,819
	<u>9,013</u>	<u>63,682</u>

As at the statement of financial position date, the Charity does not have any trade receivables that are subject to ECLs.

#### *Other Financial Assets at Amortised Cost*

Other financial assets at amortised costs include other receivables and cash and cash equivalents.

#### *Credit Risk Concentration Profile*

The Charity has no significant concentration of credit risk.

#### Cash Flow and Fair Value Interest Rate Risk

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Charity's exposure to changes in interest rates relates primarily to the Charity's fixed deposits with financial institution at variable rates. Information relating to the Charity's interest rate exposure is also disclosed in Note 12.

The sensitivity analysis below has been determined based on the exposure to interest rates for fixed deposits placed with financial institution at the financial position date. A 0.5% increase or decrease is used when reporting interest rate risk internally and represents Management Committee's assessment of the reasonably possible change in interest rates.

### *Sensitivity Analysis for Interest Rate Risk*

The following carrying amounts of interest-bearing financial assets and liabilities of the Charity that are exposed to interest rate risk:

	<b>2020</b>	<b>2019</b>
	<b>SGD</b>	<b>SGD</b>
Fixed deposits	5,154,548	4,906,265

At end of the reporting year, if SGD interest rates had been 0.5% (2018: 0.5%) lower/higher with all other variables held constant the Charity's profit before tax would have been SGD 25,773 (2018: SGD 24,531) higher/lower.

### **29. Classification of Financial Assets and Liabilities**

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting year.

	<b>2020</b>	<b>2019</b>
	<b>SGD</b>	<b>SGD</b>
Financial assets at amortised cost	12,014,801	11,057,167
Financial liabilities at amortised cost	1,445,476	621,879

### **30. Fair Value of Financial Assets and Financial Liabilities**

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, other liabilities and amounts payable approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

### **31. Events Occurring after the Reporting Period**

The Coronavirus Disease (COVID-19) outbreak and the measure taken to contain the spread of the pandemic have created a high level of uncertainty to global economic prospects and this has impacted the Charity's operations and its financial performance subsequent to the financial year end.

Given the dynamic nature of the nature of the circumstances, the related financial impact on the Society's subsequent financial statements and duration could not be reasonably estimated at this time. The related impacts, if any, will be reflected in the Charity's 2021 financial statements. Notwithstanding this, management has assessed that the Charity is still able to maintain sufficient liquidity to enable the Charity to continue as a going concern for at least the next 12 months from the end of the reporting period as there will be continued funding from government grants.

### **32. New Accounting Standards and FRSs Interpretations**

At the date of authorisation of these financial statements, no FRSs, INT FRSs and amendments to FRS that are relevant to the Charity were issued but not yet effective.